

SENATE BILL NO. 353

INTRODUCED BY J. BLACK

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE LICENSE TAX RATE REDUCTION FOR ETHANOL; AMENDING SECTION 15-70-204, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-70-204, MCA, is amended to read:

"15-70-204. (Temporary) Gasoline license tax -- rate. (1) Each distributor shall pay to the department a license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 4 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301; and

(b) 27 cents for each gallon of all other gasoline distributed by the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor.

(2) Gasoline exported may not be included in the measure of the distributor's license tax unless the distributor is not licensed and is not paying the tax to the state the fuel is destined for.

~~———— (3) Ethanol-blended gasoline, as defined in 15-70-201, is subject to 85% of the tax imposed in subsection (1)(b).~~

~~———— (4) Beginning on the date that the requirement for use of ethanol-blended gasoline contained in 82-15-121 occurs, ethanol-blended gasoline is subject to the tax imposed in subsection (1)(b). (Terminates on occurrence of contingency--sec. 21, Ch. 452, L. 2005.)~~

15-70-204. (Effective on occurrence of contingency) Gasoline license tax -- rate. (1) Each distributor shall pay to the department a license tax for the privilege of engaging in and carrying on business in this state in an amount equal to:

(a) 4 cents for each gallon of aviation fuel, other than fuel sold to the federal defense fuel supply center, which is allocated to the department as provided by 67-1-301; and

(b) 27 cents for each gallon of all other gasoline distributed by the distributor within the state and upon which the gasoline license tax has not been paid by any other distributor.

(2) Gasoline exported may not be included in the measure of the distributor's license tax unless the

1 distributor is not licensed and is not paying the tax to the state the fuel is destined for.

2 ~~(3) Ethanol-blended gasoline is subject to 85% of the tax imposed in subsection (1)(b)."~~

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4 NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2009.

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